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Economic Criticism

Paul Crosthwaite, Peter Knight, and Nicky Marsh

Abstract

This chapter covers recently published work in economic criticism, exploring the interplay in this scholarship between contemporary and historical frames and the methodological approaches of economics and the humanities. It is divided into four sections: 1. Introduction; 2. Narrating the Economy; 3. Economic Histories and Cultures; 4. Economic Humanities.

1. Introduction

This chapter surveys scholarship published in 2017 (with the exception of one title, published in 2016) at the interface of culture and the economy. Such work continues to be concerned with the abundance of contemporary cultural production preoccupied with economic matters and the histories that have produced the intensely economized and financialized present we inhabit. It also focuses increasingly close and direct attention on the question of what is at stake when the intellectual and methodological traditions of economics and the humanities meet.

2. Narrating the Economy

The marked ‘economic turn’ in literary studies and cognate fields that has been apparent over recent years (and which previous instalments of this chapter of *YWCCCT* have charted) shows no signs of slowing—both because economic questions have

become so central to contemporary cultural production, and because present-day economic conditions have returned critics to earlier generations of economic representation. Both of these tendencies are evident in Alison Shonkwiler's *The Financial Imaginary: Economic Mystification and the Limits of Realist Fiction*. Shonkwiler's central question is whether the era of financialization since the 1970s has 'produced new or different historical realisms' (pp. 123–24). In order to answer this question, she begins with a discussion of late-nineteenth-century realists such as William Dean Howells, Henry James, and Theodore Dreiser. Her contention is that in both the Gilded Age of the nineteenth century and our current 'new gilded age' there is 'a mismatch between the experience of abstraction and the vocabularies of realism' (p. xvii). In both historical moments, the generation of wealth—which increasingly seems to occur through the abstractions of finance rather than through the materialities of labour—produces a crisis of legibility. For a writer like James, the specifics of rentier extraction of wealth through real estate speculation are glossed over as a pseudo-aristocratic life of leisure, in which the true gentleman must never appear to work for a living. Likewise, in Howells's *The Rise of Silas Lapham* (1885), there is a surprising return to individual character and economic virtue, as counterweights to the increasingly impersonal nature of corporate capitalism. In contrast, Dreiser's *The Financier* (1912) turns to naturalism rather than classical realism, utilizing naturalism's focus on the impersonal economic forces that dwarf individual moral choice and action, the traditional mainstays of the nineteenth-century novel. In Shonkwiler's reading, the protagonist, Cowperwood's, financial genius is contradictory: to pursue his selfish economic self-interest, he is convinced that he must submit passively to the structural forces of capitalism. Shonkwiler finds similar reconfigurations of realism in the late twentieth and early twenty-first centuries,

beginning with Jane Smiley's novel *Good Faith* (2003), set in the Reaganomic era of the Savings and Loan crisis and the full-blown financialization of real estate. The individual becomes decentred by the impersonal forces of property speculation (your house makes more money than you ever will through actual labour), but at the same time these structural forces are 'personified in terms of economic virtue, agency, intentionality, and choice' (p. 32). In its combination of both landscape and portrait modes, Smiley's novel shows the contradictions of contemporary economic realism. The following chapter compares the notion of corporate totality in Norris's *The Octopus* (1901) and Richard Powers's *Gain* (1998). In contract to Lukács's lament that epic is no longer possible in modernity, Shonkwiler shows how in Powers's novel the 'official' biography of the multinational corporation provides an overblown and compensatory fantasy of capitalist totality. Its story is the postmodern epic, albeit, in Powers's telling, a self-consciously mock-heroic epic that undermines any pretension to omniscience. The three narratives strands of the novel (the impersonal, globe-spanning of the Clare company; the individual story of a woman dying of cancer that may have been caused by some of Clare's household products; and the intertextual fragments from an imagined corporate archive) do not gel into one coherent totalising perspective on contemporary capitalism. Instead, they register both the necessity and the impossibility of making coherent sense of global capitalism. The cause-and-effect narrative of realism comes unstuck in the age of large-scale, interconnected systems that are too complex to represent or control.

Before a final chapter on Teddy Wayne's *Kapitoil* (2010) and Mohsin Hamid's *How To Get Filthy Rich in Rising Asia* (2013) that shows how world literature is necessarily financial literature, Shonkwiler provides an analysis of Don DeLillo's *Cosmopolis* (2003). She disagrees with critics who accused the author of

merely ventriloquizing the New Economy fantasy of frictionless global capitalism in descriptions of the financial sublime of currency trading. Shonkwiler instead shows how the novel self-reflexively combines two incommensurable narrative perspectives, namely the third-person, posthumanist view of fund manager Eric Packer, who embraces the submission of his self to the endogenous and inscrutable forces that create fluctuations in currency markets, and the first-person account of his embittered former employee, Benno Levin. Each in his own way is convinced that everything is connected: where Packer ecstatically embraces what Emily Apter has called the ‘delirious aesthetics of systematicity’, Levin adopts the paranoid, defensive suspicion that someone, somewhere controls this system, rather than the system itself having agency. Capitalism demands this asymmetry of perspective, between the third-person of what ‘the market’ wants, and the first-person of lived social relations; indeed, profit is created through this asymmetry and the global discontinuities that enable it. An attention at the level of form to this asymmetry thus provides meaningful critique, rather than the Baudrillard-lite commentary of Eric Packer and Vija Kinski, his hired-gun critical theorist. For Shonkwiler, it is precisely in the thinness and abstractness of its realism that DeLillo’s novel provides an anatomy of our times: ‘As wealth comes and goes in the blink of a cursor, *Cosmopolis* suggests, our representational techniques may be limited to historicizing the forms of alienation that are *produced* by such contemporary fantasies of global technocapitalism’ (p. 80; emphasis in original).

Shonkwiler’s book is thus in dialogue with the theorist and poet Joshua Clover, who has argued that poetry is the cultural form best suited to offering some kind of intellectual leverage against the abstractions of financialized capitalism. In contrast, Shonkwiler’s starting position is that narrative is still necessary, especially in

times when temporality itself seems to be governed by the pure flow of capital and the permanent deferral of the present that derivatives and futures trading presupposes. The novel, then, ‘remains a peculiarly effective site to examine the breakdown of certainties that an older realism once took for granted’ (p. xii). The problem now is that finance thinks like fiction, with its speculative and performative projections of value that aim to create willing suspensions of disbelief. Only the self-reflexive attention to world-making therefore offers some purchase on the performative logic of stock market boosterism. While Shonkwiler recognises that at times the formal experimentation of the novels she examines is less than successful, she nevertheless remains convinced that this is a better option than a nostalgic return to a familiar realism that has underpinned many novels about the 2008 crash, which can often end up merely recapitulating the representational logic of finance itself.

Miriam Meissner’s book *Narrating the Global Financial Crisis: Urban Imaginaries and the Politics of Myth* complements Shonkwiler’s book in offering serious and sustained analyses of cultural representations of the 2008 financial crisis as they have extended across photography and film as well as literature. The study builds on Henri Lefebvre’s notion of the ‘social production of space’ and explores the ways in which the urban imaginary, a representation of the panorama of the city as a financialized space, was used to iconize the cultural representations of the financial crisis. The book’s account of these urban landscapes aims to identify the ‘particular practice of crisis narration and communication—the dynamic of myth’, and uses the methodologies of Claude Lévi-Strauss and Roland Barthes to identify the political significance of contemporary capitalism’s mythic dimensions (p. 13). The book offers chapters on the panoramic use of the city landscape as a space of ambivalent critique that projects ‘conflicting ideas and perceptions of finance’ (p. 14); on the role of city

transport—tessellating imaginatively between the subway and the limousine—as metaphors for interrupted financial flows in a digital age; on the painful absences and sites of devastation signalled by foreclosure documentaries, such as *The Queen of Versailles* (2012) and *Cleveland Versus Wall Street* (2010); and, finally, on the spectrality of ‘GFC’ self-representations, which allow Meissner to develop a more general theory of myth as ‘a “bridge strategy” of cultural expression, which, instead of attempting to construct a total image of financialization focuses on the very fragments, contradictions, and absences that the experience of financialization poses’ (p.16).

It is in this final ambition that the book is especially rewarding, and although some of the material may risk feeling a little familiar, as accounts of the films, novels, and art that represented the financial crisis of 2008 have proliferated in the past decade, the book is impressive in marshalling a coherent grammar for these separate forms of representations, in identifying the consistencies across a wide range of quite disparate forms, and in juxtaposing the totalising implications of myth analysis with complex, tactile, and detailed close readings of some of the most important texts of our moment.

Jasper Bernes’s *The Work of Art in the Age of Deindustrialization* suggests a different historical framing for recent literary and artistic engagements with economic questions: the book is a significant and engaging study of the intertwining of art (primarily experimental poetry and conceptual art) with the post-1960s shift in the US economy away from industrial production and towards various species of clerical, administrative, or service sector work as the paradigmatic forms of late capitalist labour. Bernes’s core claim is that ‘the *work of art* and *work in general* share a common destiny’ in this period (p. 1; emphasis in original). In successive chapters,

Bernes reads Frank O'Hara's poetry of the 1950s and 1960s (and its recent take-up in the AMC series *Mad Men*) as partaking of the deliberately cultivated conviviality of the salesperson or advertising copywriter; analyses the early poetry of John Ashbery in light of the emerging importance of data administration and processing to the corporate culture of American capitalism; approaches works at the interface of conceptualism and innovative poetry by Hannah Weiner and Dan Graham as responses to the discourses of cybernetics prevalent in business management theory in the 1960s and 1970s; shows how Bernadette Mayer's multi-faceted project *Memory* (1972) explores the breakdown between the 'masculine' workplace and the 'feminine' domestic realm attendant on the processes of deindustrialization; and finally examines the ways in which two important post-2000 innovative poetry movements—conceptual poetry and 'Flarf'—turn the undifferentiated information flow of contemporary office work into the stuff of (something like) verse.

Ultimately, Bernes's study is an important contribution to the project of historicizing the transition from modernism to postmodernism. As he puts it, 'if early modernist experiments, under the ethos of industrialization, could imagine the artist as maker, as fabricator and artisan of social forms—as the creator of a new language, *sui generis*', then 'deindustrialization remove[s] this contact with primary materials and reposition[s] the artist as administrator of prefabricated forms, received from elsewhere, made by unknown characters' (p. 76). Under these conditions, artists or writers cannot imagine themselves to be the producers of language, but must instead treat it as 'a kind of material medium, or substance, to which one applies a series of techniques or processes: rearranging, sorting, cataloguing, parsing, transcribing, excerpting' (p. 21).

Bernes also follows Luc Boltanski and Ève Chiapello, Alan Liu, David Harvey, and others in arguing that the dissatisfaction with monotonous, routinized work manifest in the advanced art and experimental literature of the 1960s and 1970s (what Boltanski and Chiapello call the ‘artistic critique’ of capitalism) gave expression to a wider desire for greater autonomy, creativity, participation, and variety in the workplace—a desire which would ironically be redirected into forms of corporate restructuring that merely instituted newly flexible, precarious, high-pressure, and affectively laden patterns of labour, from which greater profit could be extracted. While the broad terms of this thesis concerning the imbrication of the neo-avant-garde and counterculture with the transformation of late-twentieth-century capitalism are well established, Bernes’s study enriches such arguments by highlighting the particular kinds of artistic practices, theories, and dispositions that at once challenged the cultures of traditional blue- and white-collar work and provided templates for their reorganization.

Bernes’s analyses of art and poetry are consistently informed, sophisticated, and illuminating, but his juxtaposition of ‘the *work of art* and *work in general*’, as he puts it, presents some conceptual and methodological challenges. The book shows persuasively how the practices of art and poetry are ‘analogous’ or ‘homologous’ (e.g., pp. 110, 142, 146) to forms of labour in other sectors of the economy, but it has surprisingly little to say about the organization of the art and literary worlds as economic sectors in their own right, with their own distinct labour regimes whose differences from other forms of labour under capitalism may be as significant as their similarities (as Bernes has in fact suggested elsewhere: see Bernes and Spaulding, ‘Truly Extraordinary’). Some brief but insightful reflections on the place of conceptualism in the art market of the 1970s and 1980s (pp. 110–13), for example,

might have been expanded to provide a more rounded account of how artistic labour both is and is not subject to the capitalist logics shaping contemporary labour more broadly. Nevertheless, *The Work of Art in the Age of Deindustrialization* undoubtedly historicizes the advanced art and literature of the present and recent past in new and revealing ways.

While Shonkwiler and Meissner consider the narrative ramifications of contemporary financialization, and Bernes addresses the continued (if in important ways transformed) economic centrality of labour, a recent collection of essays edited by Mitchum Huehls and Rachel Greenwald Smith focuses on another keyword in recent economic criticism: neoliberalism. *Neoliberalism and Contemporary Literary Culture* attempts to consolidate and sharpen literary studies' engagement with the political and cultural languages of neoliberalism. The book's introduction makes distinctions between four phases of the neoliberal era and provides a brief account of the way in which the literary canon has engaged with each. The first period, which the editors call economic neoliberalism, is traced to the ending of the Bretton Woods agreement in the early 1970s and the emergence of the Chicago School's monetarist economics; here, the editors pause, in a usefully salutary manner, to recall the histories of those Latin American economies which were both the first to experience, and the first to reject, what was still being represented as an economic experiment in the late seventies. The second, 'political phase' is read against the early eighties Reaganite agenda and finds its literary analogues in 'the representational content' of writers such as Brett Easton Ellis and Jay McInerney; meanwhile, those writers associated in the preceding two decades with 'social, political, and avant-garde movements begin to find institutional and, at times, commercial success' (p. 7). The third, socio-cultural phase occurs after the end of the Cold War and is one in which

neoliberalism loses its historical specificity as it ‘no longer’ functions as ‘an economic and ideological weapon’ but gradually comes to ‘appear natural, universal, and true’ and its ‘bottom-line values’ saturate ‘our daily lives with for-profit rationalities of commerce and consumerism, eventually shifting neoliberalism from political ideology to normative common sense’ (p. 8). This is a shift that, the introduction suggests, is accepted a little too readily in the work of writers such as David Foster Wallace, David Eggers, and Jonathan Franzen, and in the genre of the memoir that emerges as the ‘neoliberal genre par excellence’ because ‘neoliberalism allows, even encourages, diversity and the expression of individuality,’ since ‘these forms of expression do not challenge the economic inequality at the root of neoliberal policy’ (p. 9). The final, dystopian, stage is our own and it is one in which neoliberalism has become ‘ontological’: it is everywhere, and the introduction aligns the emerging modes of post-critical reading with this moment, whilst also suggesting that fiction itself retains the possibility of developing ‘literary modes that acknowledge [this] condition without submitting to the neoliberal totality that produced it in the first place’ (p. 10).

The structure of the collection follows a thematic rather than chronological logic, focusing on neoliberalism and contemporary theory, neoliberalism and literary form, neoliberalism and representation, and neoliberalism and literary institutions, in ways that allow it to offer a more careful reading of these useful, but necessarily rather blunt, periods and Manichean structures. An especially useful section in this respect is the one on literary theory that engages with the lure that post-postmodern theories of literary criticism—surface reading, distant reading, new materialism, speculative philosophy—have come to hold in the academy in the past decade. These essays include Min Hyoung Song’s ‘The New Materialism and Neoliberalism’, which

examines the ‘growing frustration’ towards the cultural turn, especially in the context of a more general de-legitimation of the humanities, and revisits the opposition between a politically engaged ‘depth’ reading and an aesthetically engaged ‘surface’ reading by suggesting that an attentiveness to surface ‘symptoms’ – a symptomatic reading – has a special role, not simply in imagining the ‘wild’ critical imagination but in calling attention to how ‘what is beyond the human, or what Thoreau calls the wild, is flawed and requires forceful self-conscious critique’ (pp. 53, 64).

It is an argument that finds a different articulation in Jeffrey T. Nealon’s ‘Realisms Redux; or Against Affective Capitalism’, which defends more conventional models of literary critique from the accusation that they depend upon a ‘correlationist anthropomorphism’ by engaging with the central question of speculative realism—‘is it true that things possess a kind of withdrawn essence to which we have only speculative access?’ (p. 72)—and countering worries about the implicit conservatism of these approaches by finding a useful version of the ‘axiomatics of the new realisms—the sense that there’s always something affective, rhizomatic, or excessive that comes before human reason or decision’ (p. 81) in the work of Deleuze and Foucault: ‘for Deleuze, the political upshot of a certain kind of realism does not rest in some ideological unmasking or knowledge about the state of things in the world (our territory is liberating us, or our territory is constraining us; we should be either hopeful or fearful), but in suggesting that the primary usefulness of a kind of realist, rhizomatic politics accrues to its *diagnostic* functions’ (p. 81; emphasis in original). Jason M. Baskin’s essay ‘The Surfaces of Contemporary Capitalism’ provides a similarly nuanced gloss on this now-familiar territory, offering an historicized engagement with the surface/depth model, suggesting that advocates of surface reading ‘flatten out the dialectical nature of surface by ignoring the interrelation

between surface perception and sociohistorical depth that constitutes any object that can be perceived' (p. 89). As Baskin notes, Maurice Merleau-Ponty's phenomenology shows that 'for embodied viewers there are neither "surfaces" nor "depths" but only a dialectically intertwined *surface-in-depth*' (p. 89; italics in original). The chapter suggests a model of reading, via the work of the poet Lisa Robertson, that draws out the 'interrelation and mutual constitution' of depth and surface in order to argue that 'symptomatic reading has always been about the *relation between* surface and depth, text and social totality': Robertson reminds us that 'surfaces are made, not given' (p. 97; emphasis in original). One of the strongest aspects of Huehls and Smith's collection, then, is its call to repoliticize a surface/depth relation that has of late been put to work for the purposes of a depoliticization of literary and cultural analysis.

3. Economic Histories and Cultures

Scholars with at least a foot in literary and cultural studies or critical and cultural theory continue to produce important work that traces the pre-histories and probes the everyday cultures of contemporary economic life. Kevin R. Brine and Mary Poovey's *Finance in America: An Unfinished Story* is a collaboration between a Wall Street investor and an English Literature professor. It tells the story in mind-boggling detail of how finance emerged as such a dominant force in American (and global) society. The book combines intellectual, institutional, political, and economic history, offering detailed accounts of how economic theory and practice came to make sense of what the authors call the 'financial side' of the American economy. The broad sweep of the book documents how mathematical modelling emerged as the prime mode of economic knowledge; how the distinction between calculable risk and unknowable uncertainty became increasingly eroded in the course of the last century as

probabilistic techniques held out the false promise of pricing the future; and how economic theory attempted to make finance visible, at the same time that banks and corporations increasingly attempted to evade regulatory oversight by making finance opaque and inscrutable. Along the way the book details, for example, the economic theories, accounting principles, and government-sponsored data gathering processes that made knowledge of corporate profit possible in new ways. In this regard, *Finance in America* can be read in part as a continuation of Poovey's earlier work in *A History of the Modern Fact* on the development of double-entry bookkeeping, and there are many fascinating discussions of the implicit metaphorical assumptions in the economic theories under discussion, such as, for example, the shift from Irving Fisher's hydraulic account of monetary theory to Morris Copeland's flow of funds account that relied on electrical analogies. Likewise, the book makes clear that many of the seemingly immutable facts of finance (such as the use of index numbers) were the result of complex theoretical and institutional debates that have long since been airbrushed out of the record. However, *Finance in America* is also far from Poovey's approach in *Genres of the Credit Economy*, which explores the divergence of economic from literary ways of knowing the world that began in the eighteenth century.

Finance in America is an especially remarkable book for a literature professor to have written (albeit in conjunction with a financial expert): there is no mention of Dreiser, Dos Passos or DeLillo. Likewise *The Ascendancy of Finance*, the latest book by Joseph Vogl, a professor of German literature, also eschews the kind of literary and critical theory approach taken in his earlier work, *The Specter of Capital* (see *YWCTT* 24 (2016), 160–61). In this short new book Vogl provides a sweeping historical overview of how the rise of finance is not enabled merely by new

theoretical techniques but is the result of a much wider political delegation of responsibility from the government to the market. If Poovey and Brine take a microscope to the long-forgotten development of economic theories over the last century, Vogl views the story of neoliberalism over the last half a millennium through the lens of a telescope. He recounts how the ascendancy of finance is the result not so much of a struggle between the state and the market as a convergence between the two, with finance constituting a ‘fourth power’, operating in the no-man’s land between public bodies, international organisations, and private corporations. It short-circuits democratic accountability because of the repeated deferral in ‘states of emergency’ to state-sanctioned economic experts, and, increasingly, the impersonal authority of financial markets themselves. As with Brine and Poovey’s book, there is not much focus on issues of representation; however, in both cases these books endeavour to explain how finance is not merely a recent cancerous growth on the body politic, but has a much longer and more symbiotic history. If part of the reason for the transferral of economic power to the financial markets is the forbiddingly arcane knowledge of the priests who control them, then these two works of painstaking archaeological reconstruction are part of the necessary—but difficult—work of wising up the hoi-poloi.

Where Vogl offers a grand historical sweep, Marc Flandreau’s *Anthropologists in the Stock Exchange: A Financial History of Victorian Science* focuses on a very particular conjuncture, while suggesting that it too is part of a history in which state actors and private experts combine their powers in constructing institutions of economic knowledge. Flandreau tells a fascinating, if sometimes meandering, story of how anthropological research in the mid-nineteenth century contributed to the financialized expansion of the British Empire. The general

connection between colonialism, racism, and science has been made convincingly elsewhere, but the specific contribution to this big picture that Flandreau makes is to show how early anthropological and geographical societies in London (in particular a feud between the Ethnological Society and the Anthropological Society, which led to the formation of the Anthropological Institute) used their supposed scientific authority to help create financial value for firms dealing with foreign commodities and speculative ventures on the stock market. They did this through dubious forms of persuasion and puffery, creating what Flandreau sees as an intermingling of financial and scientific bubbles. Telling a combined history of anthropology and finance ‘enables us to see the technological, political, and sociological underpinnings of the promotion of railways, steamboats, telegraphs, and learned societies’ (p. 8). But this was not merely a homological coincidence, a set of discursive parallels. There was also a remarkable overlap between the officers of these learned societies and committees such as the Corporation of Foreign Bondholders, supposedly convened to provide regulatory oversight into overseas speculative ventures that were financed by foreign government debt issues, which escaped the disclosure requirements that applied to joint-stock companies. The bulk of the book is taken up with vividly detailed accounts of financial legerdemain in overseas speculation in places such as Abyssinia and the Mosquito Coast of Nicaragua. These scams were propped up by, and often directly enabled through, the supposedly scientific knowledge and ethnological adventures of key players in the various anthropological learned societies, who acted as ‘brokers’ between the two realms of the science of man and the making of money. Flandreau thus finds fraud and the con trick—future-oriented debt-based ‘projecting’ that chases growth at the expense of the environment—at the heart of what he terms the ‘stock market modality’, a form of economic knowledge

that he argues should be anatomized alongside other Foucauldian categories of power/knowledge.

Melinda Cooper's *Family Values: Between Neoliberalism and the New Social Conservatism* shows how an economistic approach to the study and regulation of human populations assumed new force, and new forms, in the latter part of the twentieth century. The book examines the causes, structures and effects of the curious alliance that was struck in 1970s America between the free market economic neoliberals (including the likes of Rose and Milton Friedman, Gary Becker, Richard Posner, and James Buchanan) and the social conservatives (including the new religious right, conservative Catholics, and evangelicals). The book seamlessly weaves together a complex historical and theoretical argument. Its historical argument, underpinned by detailed archival research elaborating nuanced political shifts, debates, campaigns and pieces of legislation, is that that the coupling of neoliberals and new social conservatives emerged as a response to the challenge to the 'sexual normativity of the family wage as the linchpin and foundation of welfare capitalism' by the 'liberation movements of the 1960s' and that this was a challenge that was met with the 'strategic reinvention of a much older, poor-law tradition of private family responsibility' that used the combined instruments of 'welfare reform, changes to taxation, and monetary policy' to 'revive the tradition of private family responsibility in the idiom of household debt' (pp. 21–22). The book's theoretical argument is that this collaboration between neoliberalism and social conservatism needs to be understood as a version of the desire for a 'countermovement' articulated in the work of Karl Polanyi, which assumes that capitalism's 'relentless calculative drive' to submit even the 'foundational social values such as labor, land, and money to the metrics of commodity exchange' will eventually produce a corrective impulse

that will protect the ‘social order (and indeed the free market itself) from the excesses of laissez-faire capitalism’ (p. 13). If we understand that this dynamic is internal rather than external to capital, Cooper contends, then we can avoid ‘the trap of mobilizing a left neoliberalism against the regressive forces of social conservatism or a left social conservatism against the disintegrating effects of the free market’ (p. 18) and relinquish the false hope that we can ‘counter the logic of capitalist exchange by seeking merely to reembed or stabilize its volatile signs’ (pp. 17–18).

The following chapters offer new, often startling, readings of the political economy of the United States between the late sixties and the mid-nineties. The first chapter explores the political responses to the rapidly rising inflation of the early seventies and reads the moral crisis that ensued as a response to inflation’s largely unacknowledged redistributive economic effects. Inflation, Cooper calls on the economist Edward N. Wolff to explain, ‘acted like a progressive tax, leading to greater equality in the distribution of wealth’ because it effectively moved ‘wealth from creditors to debtors by steadily eroding the price of debt’ (p. 27). In representing inflation not in these ways, but rather as a moral crisis that had its causes in the lax spending of the welfare state that needed to be ‘radically restricted even while the private institution of the family was to be strengthened as an alternative to social welfare’ (p. 33), Cooper suggests, neoliberals began their convergence with neoconservatives who had been hitherto opposed to the agenda of economic liberalism. Key to the analysis is a critique of the sustained attacks on those pieces of legislation that had attempted to extend the welfare provisions of the New Deal to the non-white and non-male subjects who had been excluded from its original formations, such as the ‘Aid to Families with Dependent Children’ (AFDC) bill that had, ‘for all too brief’ a moment, ‘allowed divorced or never-married women and

their children to live independently of a man while receiving a state-guaranteed income free of moral conditions’ (pp. 33, 97). The next chapter retains this focus on the role of the AFDC as it examines the re-emergence of inherited wealth in America from the seventies onwards, a phenomenon brought to general attention in Thomas Piketty’s *Capital in the Twenty-First Century*. Cooper acknowledges Piketty but differentiates her approach from his by emphasising that the shift was the result of ‘political processes (that could have unfolded otherwise) rather than bioeconomic laws that, in the long run, can only ever be interrupted or forestalled’ (p. 123).

The book reveals how deeply this political logic had penetrated into the private life of Americans by the mid-nineties. Chapter Five examines the arguments about public health insurance made by public-choice economists during the AIDS crisis of the eighties, in which it was suggested that collective health insurance was unfair because it redistributed the costs from ‘the risk-prone to the risk-averse’ (the assumption being that collective health insurance makes it ‘in the interest of each individual to consume as much medical care as possible’, generating a ‘problem of moral hazard that fatally compromises its aims’) (p. 177). The moral language of risk that followed the creation of the individual who ‘has inflicted harm on himself by engaging in an imprudent lifestyle’ and is therefore ‘unworthy of compensation’ was matched by the language of self-care, as ‘social service budgets were whittled back’ under the banner of ‘community empowerment’ (pp. 188, 190). Chapter Six examines the financialization of education through the vocabulary of Rose and Milton Friedman and Gary Becker’s discourse of human capital, which presented ‘students not so much as investors in their own human capital as corporations selling a stake’ in themselves to ‘outside investors’ in an expansion of Higher Education that was funded through the ‘liberalization of credit’ (p. 224). The final chapter explores the emergence of

faith-based welfare, as ‘religious charities that had once been peripheral to the welfare structures of the New Deal’ became ‘indispensable components of the federal and state antipoverty programs’ in the form of a ‘structural charity—structural in the sense that it is fully aided and abetted by the state, but charitable in the sense that it retains the discretionary, unpredictable, and ad-hoc nature of private philanthropy’ (p. 301). The comprehensive political history that lies behind each of these individual case studies is as rich as its theoretical argument is consistent, and Cooper’s book demonstrates the manner in which race, gender, and sexuality were entirely central to late-twentieth-century conceptualizations of the free market. In this respect, the book offers a real intervention into dominant accounts of neoliberalism as being motivated by profit rather than identity and it successfully complicates attempts to separate the politics of recognition from those of redistribution.

Alex Preda’s *Noise: Living and Trading in Electronic Finance* also considers how economic logics enter into—and are at the same time reshaped by—the domestic spaces of the home and the family. Preda’s book takes as its starting point an important article published in 1986 by the financial economist Fischer Black. The Black-Scholes-Merton model of derivatives pricing that Black had been instrumental in developing in the early 1970s incorporated the assumption that financial markets are ‘efficient’: that is, that they reflect all available information bearing on the prices of their assets, so that those prices are always necessarily ‘correct’—accurate reflections of everything that can be known about their value. In his 1986 article ‘Noise’, however, Black argued that inefficiencies are in fact continually introduced into markets by the presence of traders who think they are trading on information, but are actually trading only on ‘noise’ (rumour, hearsay, gut instinct, and so on). ‘Noise traders’ are a problem because their activities mean that, rather than being accurately

reflective of true value, the ‘price of a stock reflects both the information that information traders trade on and the noise that noise traders trade on’. And yet they are also ‘essential to the existence of liquid markets’ because, in the absence of noise traders, ‘information traders’ would have no one to trade with (Black, ‘Noise’, 529–43).

Starting from this understanding of noise traders as those who make financial markets imperfect even as they also make them possible, Preda seeks in *Noise* to understand how markets maintain the participation of these essential actors. For Preda, Black’s abstract theoretical category of the noise trader can be roughly equated, in practice, to retail traders (also often called day traders): investors not employed by financial institutions who trade using online interfaces, usually from their own homes. Preda explains that the willingness of many retail traders to remain active in the markets for extended periods, and the seemingly inexhaustible supply of new traders willing to open trading accounts, constitutes his book’s central ‘puzzle’, given that the proportion of such traders likely to be enjoying any significant degree of monetary reward at a given moment is vanishingly small (as low as 1.3% in some situations) (p. 6). Preda, a leading figure in what is increasingly referred to as the ‘social studies of finance’, aims, then, to explain why ordinary people ‘continue trading, not only as they fail to make money with any consistency, but as they know this, together with the fact that only a tiny fraction are making money’ (p. 6).

Preda’s methodology is ethnographic as well as theoretical, involving extensive interviews with retail traders, participation in their online discussion forums, and spells experiencing the trader’s life at first hand by placing trades on his own account. From his immersion in this world, Preda comes to the understanding that repeatedly losing money (and being aware that one is very likely to go on losing

it) may not in fact amount to the decisive, disenchanting failure that one might expect it to be. Rather, ‘market transactions ... in the retail sector of finance’, Preda suggests, ‘are not mere allocations’ but ‘collective searches related to specific moral issues’ that can only be explained ‘culturally’ (pp. 234, 235). Preda’s key theoretical intervention is to employ a ‘culturalist approach’, which ‘involves expressing a social activity as another type of activity—in a word, rekeying it’ (p. 234). Thus Preda ‘rekeys’ an activity that would seem to be self-evidently geared towards ‘making money’ as something more akin to a cross between extreme sport and religious experience: a ‘freedom project’ that is at once thoroughly worldly (like paragliding or snowboarding) and marked by a separation of mind and body (like prayer or meditation), while requiring participants to surrender none of their domestic comforts (pp. 228, 220, 227–28). Trading is, then, ‘a bourgeois mode of handling moral issues of freedom’, and losing money is simply “what it takes to continue the quest for freedom’ (pp. 228, 220). Preda’s account of how individuals pursue retail trading as a means of expressing agency, embracing risk, practising self-discipline, and refashioning subjectivity (rather than merely with the aim of accruing wealth) adds significantly to the social scientific literature on finance, further contesting mainstream economics’ straightforwardly utilitarian model of *Homo economicus*, and providing a culturally ‘thicker’ alternative to the accounts of non-utility maximizing ‘irrationalities’ offered by the field of behavioural economics. Yet in proceeding on the assumption that since traders keep trading despite losing money they must be trading for some reason other than money, Preda never asks a logical but seemingly unthinkable question: could it be that they keep trading precisely *because* they are losing money—that the experience of repeated loss itself yields some form of

masochistic gratification or reward? (For a theorization of financial trade along these lines, see Crosthwaite, 'Blood on the Trading Floor'.)

4. Economic Humanities

A sense that the range and complexity of human motivation far exceeds prevailing theoretical paradigms in economics and the social sciences has fed into recent calls for a new synthesis between economic research and the humanities. A significant recent attempt to bridge these 'two cultures' is *Cents and Sensibility: What Economics Can Learn from the Humanities*, a collaboration between a professor of Slavic languages and literatures, Gary Saul Morson, and an economics professor and university president, Morton Schapiro. Resisting the idea that either economics or the humanities should lay claim imperialistically to one another's core domains of knowledge, Morson and Schapiro argue instead for a 'dialogue' between the two fields—an interdisciplinary project they term 'humanomics'. More specifically, they suggest that the theory and practice of economics stand to be enriched by the classically humanistic activity of close engagement with works of imaginative literature. Such works, they explain, allow a deeper appreciation of the complexity of human motivation and decision-making—how they are culturally embedded, cognitively and emotionally processed, and narratively mediated—than either the narrow calculative rationality of mainstream, neoclassical economics or the trivial examples of 'irrationality' catalogued by behavioural economics (in this way, Morson and Schapiro's humanomics might be understood as a complement to the ethnographic work of economic sociologists like Preda).

Morson and Schapiro are perfectly unapologetic in their old-fashioned insistence that at the centre of the humanities lies 'the wisdom of great literature' (p.

41), and that it is to this inexhaustible source that a project of humanomics must return. In particular, they single out the ‘great psychological realists’ (p. 10) of nineteenth- and early twentieth-century fiction: George Eliot, Jane Austen, Charlotte Brontë, Edith Wharton, Henry James, Ivan Turgenev, Anton Chekhov, and especially (reflecting Morson’s primary scholarly fields) Leo Tolstoy and Fyodor Dostoevsky. In the subtle modulations of sympathy, greed, desire, abnegation, and (self-)deception portrayed by such writers, Morson and Schapiro see the resources for a less mathematically formalized and model-orientated, more psychologically and ethically fine-grained, version of economics.

Quite how far economics, as conventionally practised, would need to be transformed to accommodate the insights of fiction is evident in Morson and Schapiro’s repeated references to Dostoevsky’s *Notes from Underground* (1864): as they put it, if ‘a key assumption underlying economic models is that people are rational—they identify what makes them happy and make decisions aimed toward that end’, then what becomes of those models ‘if people are perverse—that is, they don’t seek to maximize their satisfaction in the first place?’ Dostoevsky’s underground man is committed to the ‘peculiar sort of enjoyment’—‘the enjoyment [...] of despair’—that comes with ‘choos[ing] what is contrary to one’s own interests’, if only so as to hold open the possibility of surprise, caprice, and ‘independent choice’ that would be foreclosed in a fully utilitarian world where the optimal outcome is always in theory determinable in advance (qtd. in Morson and Schapiro, *Cents and Sensibility*, pp. 150–51). His is the kind of psychological portrait, then, that might further deepen the account of seemingly inexplicable economic behaviour offered by Preda’s study of retail traders. As Morson and Schapiro note, standard economic rational choice theory might aim to recuperate such self-sabotage

as simply another form of utility maximization (the enjoyment of loss being in principle no different from the enjoyment of gain), except that the underground man's emphasis on unpredictability is at odds with any attempt to plug the 'uneconomical absurdity' he espouses into a conventional 'utility function' (pp. 152–53). A writer like Dostoevsky, Morson and Schapiro suggest, shows why mainstream economics must inevitably 'los[e] the rationality argument', a loss which is 'devastating to the economic model' in general (p. 153).

Morson and Schapiro's methodology is able to achieve some real critical purchase on the problem of an overreaching and unrealistic dominant economic paradigm, but their insistently character-based approach to a small canon of 'great realist novels' (p. 10) also has limitations. In particular, even a 'humanomics' project content to confine its methodological tools to the core critical protocols of literary studies could surely say more about the significance of literary form in addition to examining the portrayal of literary character (Morson and Schapiro only briefly touch on such formal questions in a discussion of the empathy-inducing mingling of narrator's, character's, and reader's perspectives supposedly performed by novelistic free indirect discourse [pp. 227–29]). Recent years have seen a number of studies addressing how literary narratives' formal, stylistic, and generic strategies model complex modes of economic belief, affect, and desire, as well as more structural aspects of the capitalist system (e.g., Kornbluh, *Realizing Capital* [see YWCCT 23 (2015), 110–11]; La Berge, *Scandals and Abstraction* [see YWCCT 24 (2016), 169–70]; McClanahan, *Dead Pledges* [see YWCCT 25 (2017), 113–15]; Michaels, *The Beauty of a Social Problem* [see YWCCT 24 (2016), 163–65]; Smith, *Affect and American Literature* [see YWCCT 24 (2016), 165–66]). Morson and Schapiro's call for a convergence between economics and the humanities is bold, but their manifesto

sets out only a narrow vision of what the humanities has to offer, while even the literary wing of the humanities (to say nothing of the humanities' other major disciplines) is in fact well equipped to direct its particular analytical techniques towards a much wider range of economic insights.

Mihir A. Desai's *The Wisdom of Finance: Discovering Humanity in a World of Risk and Return* (the UK edition has an even more direct subtitle: *How the Humanities Can Illuminate and Improve Finance*) is similarly marked by its limitations as much as its potential. A beguilingly easy read, Desai's book carries its defence of finance through an impressively expansive definition of the humanities, which includes not only literature, religion, classics, philosophy, critical theory, history, and popular culture but a set of appealing vignettes taken from the author's professional and personal life and an account of a trip that he makes to the 'state archives in modern-day Florence' to research the financialized history of dowries. The work moves deftly between this eclectic range of references and the pedagogical approaches to teaching the fundamentals of finance that Desai has honed in the Harvard Business and Law schools. Its accounts of the intellectual origins and implications of the central techniques of contemporary finance—insurance, risk analysis and optionality, portfolio theory, capital asset pricing—are sharply lucid and this alone makes the book a useful addition to a cultural library of finance.

Yet the rationale behind the book's approving invocation of the humanities and finance seems to function in quite different, and potentially unresolved, ways in the project. On the one hand, in the opening chapters especially the connections that Desai makes between literature, philosophy, and history and the fundamental techniques of finance appear to reinforce the natural ubiquity of the latter and finance risks becoming the teleological endpoint of the arguments that are only ostensibly

about history, literature, or culture. The assumption, for example, that because we learn from experience we are all ‘insurance companies—experience is the critical method for learning how to thrive’ or that Violet Effingham’s thoughts on the marriage market in Anthony Trollope’s *Phineas Finn* (1867–69) predicted the emergence of portfolio theory, suggest that the humanities is a way of complimenting rather than complementing finance (pp. 31, 40–42). Desai’s discussion exemplifies that we are all financial agents, and provides charismatic and appealing personifications of this tendency, rather than providing us with the opportunity to critically evaluate what being a financial agent really involves.

This is frustrating to the literary and cultural critic, in particular, because the examples that Desai brings to light are often outside the acknowledged canon of economic literary criticism and suggest fruitful new additions to it. Although Trollope may be a familiar figure in the field, for example, Dashiell Hammett and Wallace Stevens are not, and the hints that Desai presents regarding their attitudes towards risk in the first chapters are provocative and suggestive. However, they remain only hints, and the arduous work of tracing them through either the authors’ work or their critical and cultural histories is left not only incomplete but unacknowledged. Secondly, the very obvious connections between politics and literature that nearly all of the examples suggest are given no mention and the assumed impartiality of finance’s ability to make complex judgements for us is revealed as culturally insufficient when discussions of economic growth make no gesture to acknowledging the needs of the environment; discussions of families, marriage, and dowries downplay the asymmetry of the sex-gender system; and discussions of generational differences (young people who choose to live at home and not to take on risks versus seniors who choose to live

more independently) fail to acknowledge the growing economic, and increasingly political, divisions between the baby boomers and their millennial grandchildren.

However, at other times, Desai does take seriously the ability of literature and culture to challenge, or perhaps ameliorate, the assumptions of finance. As well as advocating using the clear-sightedness of economic decision-making to organise our lives ('negotiating our existing commitments to allow us to take on new ones is the critical life skill that finance highlights. Debt overhang is the manifestation of not being able to renegotiate those commitments to take on new opportunities – and the resulting loss for all involved' [p. 134]), it also seeks to use the ethical and moral, if not political, vocabularies of the humanities to challenge the unthinking acquisitiveness that has become associated (probably rightly, he concedes) with the cultures of finance. The recurring claim, for example, that 'we are in the service of future generations, for it is much more their world than ours' (p. 67) is a founding principle for Desai and he thinks, but is never quite able to articulate, that the humanities offers routes into making such principles more central to the world of finance because 'finding narratives that allow us to stay attached to what is meaningful in finance' can help us avoid becoming the caricatures of avarice that are so prevalent in culture's representations of financial actors (p. 170). To this end, in the book's conclusion, he turns to Alexandra Bergson, the heroine of Willa Cather's *Pioneers!* (1913) to offer us a 'model financier who employs many of the lessons of finance without slipping into the traps' of the greedy antiheroes of popular culture (p. 170). Bergson is a 'master risk taker' who 'values diversification and sees option value' but 'remains invested in her deepest relationships with close friends and family' and it is this ability, albeit without political, historical, or cultural context, that the book is dedicated to enshrining (p. 174). For Desai, it is axiomatic that the

function of the humanities is to humanize economics and the economy. Recent years have suggested, however, that the most compelling work in the ‘economic humanities’ is that which offers alternate structural and affective mappings of economic processes, rather than merely promising to inject a dose of moral virtue into neoliberal business as usual. The growing confidence of humanities scholars in bringing their distinctive perspectives to bear on economic issues bodes well for the future of this interdisciplinary field.

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